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# PROVINCIAL JUDGES AND MASTERS IN CHAMBERS PENSION PLAN

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ANNUAL REPORT  
for the fiscal year ended March 31, 1991

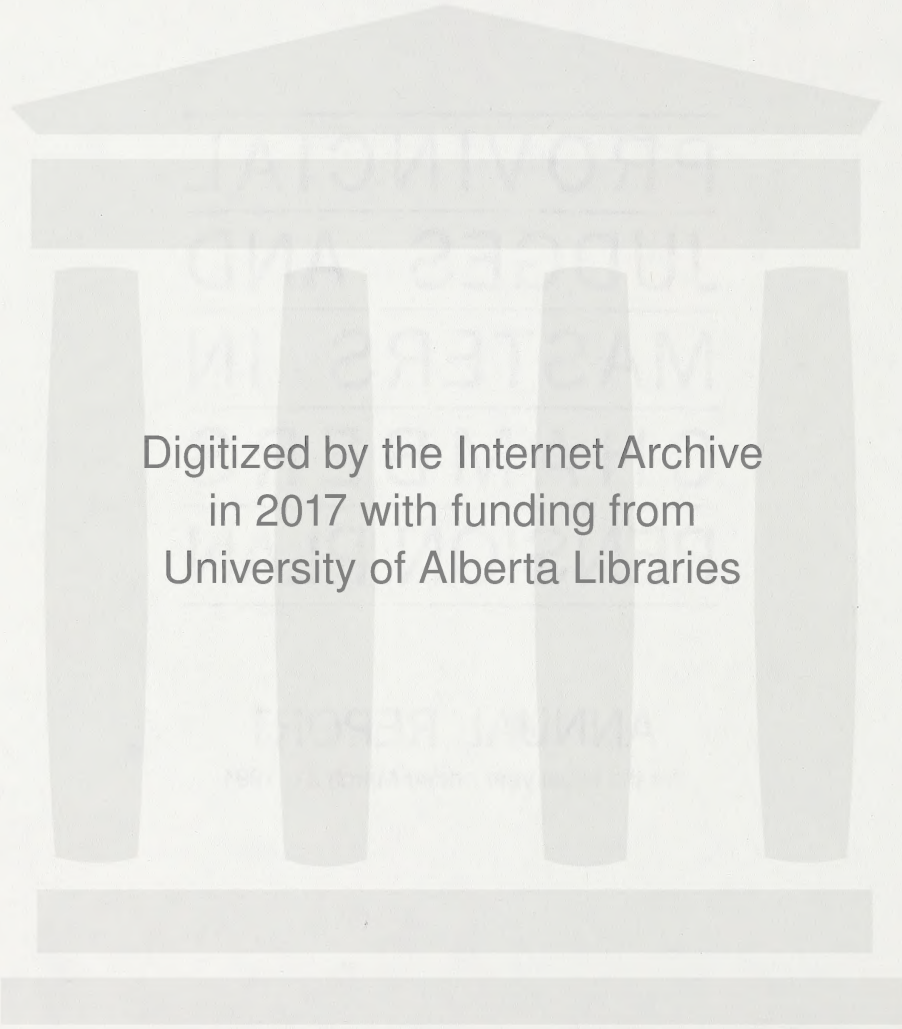


# PROVINCIAL JUDGES AND MASTERS IN CHAMBERS PENSION PLAN

## ANNUAL REPORT

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PROVINCIAL TREASURER

224 Legislature Building, Edmonton, Alberta, Canada T5K 2B6

The Speaker of the Assembly

Sir:

Pursuant to section 5 of the Provincial Judges and Masters in Chambers Pension Plan Regulation, Appendix of Order in Council 526/88, I have the honour to lay before the Assembly the annual report on the operation of the Provincial Judges and Masters in Chambers Pension Plan for the fiscal year ended March 31, 1991.

Respectfully submitted,

Dick Johnston  
Provincial Treasurer





**Table of Contents**

**Page**

Introduction	2
Plan Overview	2
Review of Operations	3
Actuarial Liabilities	3
Participation	3
Contributions	4
Refunds	4
Information and Counselling Services	4
Pension Benefits	5
Statement of Receipts and Payments	7





## Introduction

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The Provincial Judges and Masters in Chambers Pension Plan was established effective September 1, 1988, by an Order in Council under the Provincial Court Judges Act and other empowering legislation. The plan was established to provide a fully funded

non-contributory pension program for those individuals who hold office as Provincial Judges or Masters in Chambers. Formerly, such individuals were participants in the Public Service Management Pension Plan.

## Plan Overview

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The Provincial Judges and Masters in Chambers Pension Plan is a non-contributory pension plan for which contributions are remitted by the employer at a rate determined by an actuarial valuation of the plan. For the period September 1, 1988, to March 31, 1992, the contribution rate was assessed at 23.67 percent of pensionable earnings. Contributions are deposited to and benefits are paid from the Provincial Judges and Masters in Chambers Pension Fund. The income of the Provincial Judges and Masters in Chambers Pension Fund accrues to and forms part of the fund.

Members may retire at any time after age 55 without reduction in the amount of pension, if five years of pensionable service have been accumulated. For the purposes of this plan, the normal pensionable age is 70 years. However, there is no mandatory retirement age. Pension benefits are based on 2 percent of the highest average pensionable earnings for five consecutive years times the number of years of pensionable service. Pensionable service is comprised of the following types of service: any period for which the Government was liable to make contributions under this plan; any pensionable service under the Public Service Management Pension Plan; and any period of

leave without pay that was under 23 days or that was longer but for which contributions have been made. The normal form of pension benefit under the plan is a pension payable for the life of the member with a 75 percent survivor benefit. The survivor benefit applies only to a person who was the spouse at the time when a pension choice was made. If the member has a spouse and has been married to, or lived with, that spouse for at least five years, the member must choose a normal pension unless a waiver is signed by the spouse. Single members, or those with spousal waivers, may elect a life pension, choosing a five, 10, or 15 year guaranteed period. They may also elect a joint pension based on their life and that of a nominee.

The plan makes provision for those members who die prior to retirement and have accumulated at least five years pensionable service. In such cases, the surviving spouse is entitled to receive a pension for life in an amount equal to 75 percent of the normal pension. For those who have not accumulated five years of pensionable service the surviving spouse or beneficiary is entitled to a refund of the employee contributions, if any, credited to the plan.



## Review of Operations

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The Provincial Judges and Masters in Chambers Pension Plan is administered by the Payroll and Pensions Division of Alberta Treasury.

During the year under review, the division continued on an active course of automation, computer systems upgrading and procedural improvement. The administration of retirement benefits received particular attention with

the redevelopment of the retirement benefit calculations. In addition, pension file tracking was enhanced, better payment controls were implemented and system response time was improved.

Review and planning for federal and provincial pension reform involved all sections of the Pension Administration.

## Actuarial Liabilities

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An actuarial valuation of the plan was completed at September 1, 1988. The next valuation date will be March 31, 1992, with subsequent valuations being required every three years. In accordance with clause 9(2) of the Pension Plan Regulation, the unfunded liability, as of any particular valuation date, shall be financed on the basis that it is to be liquidated by 20 equal annual contribution payments.

An independent actuarial valuation carried out at September 1, 1988, estimated the accrued

liability of the Provincial Judges and Masters in Chambers Pension Plan to be \$35,285,000. The plan's unfunded liability was estimated at \$22,701,000. The amount estimated by the valuation to be required to liquidate the unfunded liability by 20 equal annual instalments was \$2,399,000. This amount was later adjusted to \$2,332,000 to reflect actual circumstances. Accordingly, the instalment for the year of this report is \$2,332,000. The normal actuarial cost of the plan as a percentage of payroll was estimated at 23.67 percent.

## Participation

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At March 31, 1991, there were a total of 115 active participants in the Provincial Judges and Masters in Chambers Pension Plan.

## Contributions

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The schedule below summarizes contributions for the year ended March 31, 1991:

	Participants At March 31, 1991	Contributions Received		
		Participants \$	Government \$	Total \$
Government of Alberta	<u>115</u>	<u>35,750</u>	<u>2,886,060</u>	<u>2,921,810</u>
	<u>115</u>	<u>35,750</u>	<u>2,886,060</u>	<u>2,921,810</u>

**Note:** The participant amounts are prior service contributions.

## Refunds

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No refunds were issued during the year to participants upon termination.

## Information and Counselling Services

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Four *Pension News* information bulletins were prepared for the Attorney General's Department to assist staff in carrying out their responsibilities under the pension plan. The Alberta Retired Public Employees Society was again assisted by Payroll and Pensions with the publication of their quarterly newspaper, *Postscript*.

Annual statements containing information on pensionable service, contributions, and prior service were produced and forwarded to the Attorney General's Department for distribution to all active participants in the plan.



## Pension Benefits

During the year ended March 31, 1991, pension benefits paid totalled \$212,646; an increase of \$163,265 over the previous year.

A total of five pensions were granted in the categories shown in the table below. Previous year figures are included for comparison.

	<u>1991</u>	<u>1990</u>
Normal Retirement	2 (2)	2
Early Retirement	<u>3</u>	<u>1</u>
	<u>5</u> (2)	<u>3</u>
( ) Brackets denote pensions co-ordinated with Canada Pension Plan (CPP) and/or federal Old Age Security (OAS) payments.		

Pension options selected by members were as follows:

	<u>At April 1, 1990</u>	<u>New Retire- ments</u>	<u>At March 31, 1991</u>
<b><u>Member Pensions</u></b>			
Normal (life with 75 percent survivor pension)	<u>4</u>	<u>5</u>	<u>9</u>
<b>Total Pensions</b>	<u>4</u>	<u>5</u>	<u>9</u>
Pensions Co-ordinated with CPP and/or OAS	<u>      </u>	<u>2</u>	<u>2</u>

The schedule below categorizes the pensions in effect at March 31, 1991, by dollar value of monthly pension:

Dollar Value Per Month \$	Member Pensions
1 to 999	-
1,000 to 1,999	3
2,000 to 2,999	2
3,000 to 3,999	2
4,000 and over	2
	<u>9</u>

Effective January 1, 1991, a cost of living adjustment of 3.25 percent was granted to those pensioners in receipt of a pension for one year

or more with a proportionately smaller increase granted to those retiring during the calendar year 1990.

**Statement of Receipts and Payments**  
**Year Ended March 31, 1991**

	1991 \$	1990 \$
<b>RECEIPTS</b>		
<b>Contributions</b>		
Government	2,886,060	2,825,562
Participants	<u>35,750</u>	<u>56,882</u>
	<u>2,921,810</u>	<u>2,882,444</u>
Funds Transferred on Inception of Plan - Interest	-	64,818
Amortization of Unfunded Liability	<u>2,332,000</u>	<u>2,332,000</u>
Total Receipts	<u>5,253,810</u>	<u>5,279,262</u>
<b>PAYMENTS</b>		
<b>Benefits</b>		
Pensions to retired participants	212,646	49,381
<b>Withdrawals</b>		
Refunds of excess contributions	<u>-</u>	<u>724</u>
Total Payments	<u>212,646</u>	<u>50,105</u>
Excess of Receipts over Payments	<u>5,041,164</u>	<u>5,229,157</u>





